REMARKS

By this Amendment claims 1, 30 and 31 have been amended to clarify the claimed subject matter. Entry is requested.

In the outstanding final Office Action the examiner has rejected claims 1-10, 13-25, 27, 28, 30 and 31 under 35 U.S.C. 103(a) as being unpatentable over Kaule et al. in view of Melling et al., and he has rejected claims 11 and 12 under 35 U.S.C. 103(a) as being unpatentable over Kaule et al. in view of Melling et al. and Jotcham et al.

These rejection are without merit.

Kaule et al. disclose a security element including an elongate strip of a light transmitting polymeric substrate, the substrate being provided with a magnetic feature and a metallic design, the metallic design being provided by a combination of a metallic and non-metallic regions which permit transmission of light and including indicia, characters, patterns, designs, or geometrical shapes or a combination thereof. The pattern of the magnetic feature of the design shown in Fig. 3 does not extend across a full width of the elongated strip, and the magnetic feature does not overlap with the metallic design. Nevertheless, certain critical features of applicant's claims 1, 30 and 31 are not disclosed in Kaule et al.

The examiner asserts that Melling et al. teach the missing features in Kaule et al., namely a metallic design incorporating at least one repeating pattern of which one or more are frequency, instantaneous amplitude and maximum amplitude of the pattern varies constantly along

the length of the element, a design of the magnetic feature having a varying size and shape along the length of the element. He refers to Figure 13 in Melling et al. to support this conclusion. Figure 13 is in fact a shaped security element with parallel printed metallic lines. It is agreed that the shaping of security element has the effect of modifying the maximum amplitude of the metallic pattern along the length of the element. However, there is still no disclosure in either Kaule et al. or Melling et al. of a magnetic feature having a varying size and shape along the length of the element. Melling et al. do not disclose a magnetic feature and Kaule et al. only disclose straight tramlines which have no such varying size or shape. While it is accepted that the metallic negative writing of Kaule et al. could be modified to use the metallic pattern of Figure 13 of Melling et al., it would not have been obvious to a person of ordinary skill in the art to also modify the magnetic feature of Kaule et al. in the same way. Since the variation of the metallic pattern is achieved by cutting off the edges of the thread, such a modification would simply remove the magnetic feature of Kaule et al.

As such, a combination of the teachings of Kaule et al. and Melling et al. would not result in a security element as claimed in claim 1, nor would it be obvious to make a modification which would result in this particular combination of features.

Regarding independent claims 30 and 31, the same argument applies as there is no teaching of a magnetic feature which has a design complementary to the pattern of the metallic design.

With regard to claim 31, it is noted that in the remarks submitted in the Amendment of June 9, 2009 an incorrect statement was made. The "height" of the design of the magnetic feature solely refers to the dimension measured width ways across the thread and does not mean depth in terms of the thickness of the magnetic layer rising above the security element. In other words, the total measurement of the varying shape of the magnetic material across the width of the thread is constant. On the attached first example the combined heights of the hatched area is a varying magnetic feature, and the movement of the heights A + B is equal to the combined heights C + D, which is equal to the combined heights E + F.

The examiner's prior art rejection based on Kaule et al. and Melling et al. should be withdrawn. And nothing in Jotcham et al. would overcome the noted deficiencies.

Allowance of this application is requested.

Respectfully submitted,

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